



JobWatch
August 18, 2017

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July jobs bump: Public sector grows, private sector shrinks

Job numbers released today by the Ohio Department of Job and Family Services show Ohio gained 1,600 jobs last month. This small gain was in addition to an improved June total, bringing the state's 12-month job growth rate to 0.9 percent. This did little to close the gap between growth in Ohio and the nation (1.5 percent). In total, Ohio has added 34,400 jobs this year. This is slightly less (-2,200) than we had added by this time last year.

"State tax giveaways to corporations and the wealthy have not produced the promised job growth. Instead, we have lost the revenue we need to invest in policies like need-based college financial aid that help build the middle class," said Hannah Halbert, researcher with Policy Matters Ohio. "Federal policymakers would be well-served by studying Ohio's performance before implementing tax changes that overwhelmingly benefit the wealthiest in the nation."

Without growth in the public sector (+4,100) Ohio would have lost jobs last month. A very slight increase in private service sector work (+200) did not offset losses in private production jobs (-2,700). Production work fell due to losses in construction (-1,700) and manufacturing (-1,100). The service sector saw gains primarily in accommodation and food services (+5,400).

"Once again public sector work is a backstop against job loss. Maintaining enough state and federal revenue means neighborhoods have decent public services, and that people are employed to provide those services," Halbert said. "Tax changes being considered in Washington put that in jeopardy."

The household survey, which generates the data for the unemployment rate, uses a different methodology from the employer survey that produces the data on job growth. The household survey brought disappointing news for July. The number of people working or actively looking for work fell by 16,000 last month. This is the second month of labor force declines. The state needs about 206,000 more people working or actively looking for work to reach our pre-recession labor force size. Ohio's unemployment rate increased by a slight 0.2 percent to 5.2 percent, nearly a full percentage point higher than the national rate (4.3 percent).

"July's jobs report is disappointing. The state needs targeted investments in regions and communities that have been left behind," Halbert said. "A public infrastructure program would be a good place to start. Additional tax cuts for the wealthy in the guise of tax reform will take us further away from that goal."

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*Policy Matters Ohio is a nonprofit, nonpartisan state policy research institute
with offices in Cleveland and Columbus.*